GENERAL

Belgrade believes that recent Soviet-Satellite denunciations of their mutual aid treaties with Yugoslavia will not lead to a complete break in diplomatic relations between the two disputing groups, but considers it more likely that both sides will expel most of the others' diplomats and maintain only token representation. The Embassy considers that the Yugoslav position has not been weakened by these denunciations. The Embassy believes that this Soviet action has been aimed primarily at protecting the Cominform area from the influence of the Tito heresy, rather than at subverting the Yugoslav regime. The Embassy estimates that the Yugoslav reaction to the recent moves will be moderate because the Yugoslavs are determined not to be provoked into any rash action.

(CIA Comment: CIA agrees with this estimate.)

2. Views on Soviet note on Germany—US Embassy Moscow expresses the view that the 2 October Soviet note on the West German government represents more than a propaganda gesture and may be designed to lay the groundwork for a series of moves calculated to counter western progress in Europe and Germany and to advance the Soviet cause there. The Embassy suggests that even though the note itself gives no decisive hint as to what steps the Kremlin is planning, the USSR may consider this an opportune moment to regain the initiative on the German question and may by this action be laying the groundwork for the establishment of an East German government.

(CIA Comment:	CIA 1	believe	s that	the Sovie	t note
primarily represents a	final	protest	for the	he record	against
the West German state	prior	to the	early	establishi	ment of
an East German govern	ment.	.)	_		

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3. Comments on possible Syrian -Iraqi union -- US Ambassador Bruce in Paris, in response to the Department of State's request for comments on a possible union between Syria and Iraq, expresses the belief that the French would be strongly opposed to any such move. According to Bruce, the French Foreign Office has constantly stressed the maintenance of the status quo in the Near East as a keystone of French policy and would undoubtedly interpret the union of Syria and Iraq as a further extension of British influence in the Near East at French expense. Bruce feels that at a time when the French are worried over US intentions concerning the UK on the one hand and Europe on the other, the US should not permit itself to be placed in a situation where it becomes directly involved in the deterioration of UK-French relations. US Embassy London expresses the opinion that the UK would benefit from a union of Syria and Iraq and that the British may even have been involved with the Syrians and Iraqis in exploring the feasibility of such a union.